



**EMERGENCY
TECHNICAL ADVISORY COMMITTEE (TAC)
Meeting Minutes**



September 13, 2005 1:00 p.m. – 3:25 p.m.

**California Department of Fish and Game
Los Alamitos, California**

Attendance:

Stephen Ricks	Matt Rezvani	R. Mitchel Beauchamp	Joseph Geever	Jonna Mazet
Dr. Mike Ziccardi	Ellen Faurot-Daniels	Gary Gregory	Kevin Mercier	Linda Scourtis
Carlton Moore	Lisa Curtis	Bud Leland	Steve Sawyer	Sue Damron
Joy Lavin-Jones	Michele Owens	Linda Green		

The September 13, 2005 meeting of the Oil Spill Technical Advisory Committee (TAC) at the California Department of Fish and Game in Los Alamitos, CA was called to order at 1:00 p.m. – Stephen Ricks, Chairperson, presiding.

I. COMMENCEMENT/INTRODUCTIONS

STEPHEN RICKS (CHAIRPERSON)/TAC

Stephen Ricks requested everyone to introduce themselves and turned meeting over to Carlton Moore

II. WELCOME/GENERAL ANNOUNCEMENTS

CARLTON MOORE, OSPR ADMINISTRATOR

- Announced retirement – last day in the office is September 23, 2005 (33 ½ years in State Service).
- Oil Spill Prevention Administration Fund (OSPAF) (F320)
 - Discussed information received on F320, which was audited by the Department of Finance (DOF) under provisions set forth in the Torlakson bill. The TAC reviewed the DOF audit and by subcommittee drafted a letter, which was circulated for review and was reviewed by Mr. Moore.
 - Presentation by Mr. Moore at 7/12/05 TAC meeting provided recommendations on how to fix some of the findings of the DOF.
 - F320 surplus is currently \$8-14 million. There is a rate payer error of \$5.8 million.
 - Mr. Moore suggested the TAC recommend reducing the per barrel fee to 4.5 cents.
- Oil Spill Response Trust Fund (OSRTF) (F321) – OSPR is having trouble keeping the statutory requirement of the fund at 95%. If the fund falls below 95%, the Administrator would be required to invoke a 25 cent per barrel fee. \$54 million should be in F321 at all times as required by statute.
- Oiled Wildlife Care Network (OWCN): Should we put the OWCN on annual appropriations – enables cost of living increases. Currently, the OWCN is a line item under the statute with a recurring appropriation of \$1.3 million annually which comes from interest accrued on F321. This year the interest on F321 was not enough to support the OWCN. Since there is currently a surplus in F320, the Administrator recommended the OWCN be shifted into F320 with annual appropriations to allow for cost of living increases to provide more money to the OWCN.
- Department of Fish and Game (DFG) – has had problems getting the correct amount of money to the right program. DFG just went through a comprehensive audit through the Bureau of State Audits on the Wildlife Preservation Fund and found out there were substantial misalignments of approximately \$11 or \$12 million (just one fund).

III. OSPR FUND STATUS REPORT

CARLTON MOORE, OSPR ADMINISTRATOR

Presentation by Mr. Moore provided to TAC members and other participants with handouts. Michele Owens, OSPR Financial Analyst, reconciled OSPR funds back to 2002/2003 FY.

- OSRTF (F321)
 - Duty of the Administrator (Government Code section 8670) – The Administrator shall administer the fund in accordance with this Article; the Administrator shall ensure there are adequate funds available to carry out the purpose of this Chapter (predominantly response).
 - Use of the Fund (no equipment, no payroll) – Revenue and Tax section 46012 says that F321 will have a total designated amount of \$109,750,000 (of this cash: \$54,875,000). The balance is a line of credit which is essential cash for OSPR because the Administrator, with a phone call, could get a like amount from the State Fund (through borrowing authority).
 - * \$54,875,000 cash: 95% is applied to this amount, not total designated amount
 - * 95% of cash equals \$52,161,000
 - * Below \$52,161,000, the Administrator is required to reinstitute the 25 cents per barrel fee
 - In June 2004, F321 had an approximate balance of \$52 million. As of July 2005, the balance was approximately \$43 million. Transfers were made by DFG through Planned Financial Adjustments (PFA) to other unknown DFG funds.
- Fish and Wildlife Pollution Account (F207) [not within TAC jurisdiction]
 - June of 2004 at \$5,000,000
 - Between July 2004 and May 2005 F207 was down to \$20,000 (cannot make payroll) – Monies were transferred by DFG through Planned Financial Adjustment (PFA) to other unknown DFG funds.
- TAC Duties
 - At own discretion, can study, comment, or evaluate any provision of this Chapter
 - Report biennially to the Governor and the Legislature
 - Review DOF reports and make comments to the Governor and the Legislature
 - Options: monitor F321, call for an independent full audit of F321, and the TAC can come up with other options upon their discretion.

IV. OSPAF (F320) FEE REDUCTION (ADDED TO AGENDA BY TAC VOTE)

TAC

Mitchel Beauchamp moved to have an action item added to the agenda to consider reduction of the OSPAF fee from 5 cents to 4.5 cents per barrel, Jonna Mazet seconded. Five members in session (Quorum): 4 approved, 1 abstained.

Mitchel Beauchamp moved to request the Administrator to consider modifying the fee in F320 from 5 cents to 4.5 cents per barrel by October 1, 2005, based on the Administrator's assurance and with knowledge that there may be future changes which will again trigger a reconsideration of the fee. The Administrator assured TAC that he is comfortable with the reduction. Jonna Mazet, seconded. 4 approved, 1 abstained.

- Mr. Moore, Administrator, will prepare a memo to the Board of Equalization on lowering the 5 cents per barrel fee to 4.5 cents per barrel in F320 on or before October 1, 2005.

V. STATUS ON TAC REPORT TO THE LEGISLATURE (OSPR AUDIT)

TAC

- TAC identified three issues that should be captured in report by the subcommittee:
 - . Necessary to include level of the fee
 - . How to deal with surplus – surplus should be linked to the level of the fee in report
 - . DFG distributed administrative costs
- Subcommittee will continue deliberation on the draft "Report to Legislature"
- Draft report will be provided to TAC members for review prior to the October meeting
- TAC will anticipate voting at the October meeting

VI. F321 IRREGULARITIES (ADDED TO AGENDA BY TAC VOTE)

TAC

Mitchel Beauchamp moved to have an action item added to the agenda regarding the irregularities on F321, so the TAC can act on it. Jonna Mazet seconded. 4 approved, 1 abstained.

Jonna Mazet made a motion that Matt Rezvani draft a letter to the Governor, Legislature, Secretary of Resources, and DOF with copy to the Director of DFG and the Administrator of OSPR regarding irregularities on F321 to be distributed on email to all of TAC and approved by majority of TAC prior to being sent to those parties. Mitch Beauchamp, seconded, 4 approved, 1 abstained.

Suggested Agenda Items for next meeting

- . Status of F321 loan recovery
- Date and Location of 2005/2006 Meetings*
- . October 25, 2005-Sacramento at OSPR

ADJOURN